



State Capitol | Lansing, Michigan 48913
PH (517) 373.1758 | FAX (517) 373.0938
www.senate.michigan.gov/gop/senator/cassis/

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Contact: Tom Davis
517-373-1758

Job Providers Support Tax Change

Employers at Novi Hearing Tell State to Modify SBT

LANSING-- State lawmakers heard testimony today in Novi on legislation to eliminate the tax on health care benefits from the Single Business Tax (SBT). A variety of Michigan business owners took advantage of a local hearing in Southeast Michigan today and shared their overwhelming support of the Cassis Care and Competitiveness package being sponsored by Sen. Nancy Cassis (R-Novi)

"With the Single Business Tax on labor and health insurance, it is entirely possible to lose significant amounts of money and still owe state taxes," Diane Dearing, Display Structures, Inc, Troy, said, "In our society we use taxes to deter negative and harmful behavior like smoking. Has employing people become a bad habit that needs to be discouraged?"

It was reiterated many times at both today's hearing and one held last week in Lansing that businesses cannot afford to be taxed on health care. With rising costs increasing tax liability, employers are forced to cut health care benefits or make employees pay higher premiums in order to maintain their benefits. "It's a big decision for a small company like mine to continue a benefits package. Removing the cost of health insurance from the SBT is an important step in the right direction," said Noelle Clark, vice president of Hasslebring-Clark Company.

"It is SBAM's position that premiums and other costs for health care should not be taxed at any level," said Barry Cargill, vice president of government relations for the Small Business Association of Michigan (SBAM).

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Others testified that this tax prevents new companies, especially manufacturing and small businesses, from opening in Michigan because they will have such high costs and low profits if they provide health insurance. “This is the biggest detriment for manufacturing jobs in the state,” said Charles Owens, state director for the National Federation of Independent Business. “This is good public policy for the legislature to pursue and is a win-win situation for everyone.”

“This tax inhibits growth and penalizes employers for providing health coverage for Michigan workers,” said Cassis. “This tax has got to go!”

The next hearing is scheduled for Monday, October 6, at 10:00 a.m., at the Holiday Inn, 501 Saginaw in Bay City.